

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2314
Order No. R-2191-A

IN THE MATTER OF THE HEARING CALLED
IN ACCORDANCE WITH ORDER NO. R-2191
TO PERMIT SHELL OIL COMPANY TO APPEAR
AND SHOW CAUSE WHY ITS STATE WELL
NO. 1-A, LOCATED IN UNIT D, SECTION
36, TOWNSHIP 24 SOUTH, RANGE 36 EAST,
NMPM, JALMAT GAS POOL, LEA COUNTY, NEW
MEXICO, SHOULD NOT BE RECLASSIFIED AS
AN OIL WELL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of March, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That under the provisions of Order No. R-2191, entered by the Commission on February 22, 1962, Shell Oil Company was ordered to appear and show cause why its State Well No. 1-A, located in Unit D of Section 36, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, should not be reclassified as an oil well if a six-month report of the gas-oil ratio of said well reflected a ratio of less than 100,000 to 1.
- (3) That the last six-month report for the subject well reflected a ratio of less than 100,000 to 1.
- (4) That the Special Rules and Regulations governing the Jalmat Gas Pool define a gas well as a well producing with a

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gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

(5) That the evidence does not justify classification of the well as a gas well at this time; that the well should presently be reclassified as an oil well in accordance with the Special Rules and Regulations governing the Jalmat Gas Pool; and that the well should be reclassified in the future in accordance with the Special Rules and Regulations governing the Jalmat Gas Pool.

(6) That reclassifying the well as an oil well will not cause waste as the Special Rules and Regulations governing the Jalmat Gas Pool provide sufficient flexibility in daily rates of oil production to allow the operator to produce the well at a rate that will prevent waste of both oil and gas.

IT IS THEREFORE ORDERED:

(1) That the Shell Oil Company state Well No. 1-A, located in Unit D of Section 36, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, is hereby reclassified as an oil well.

(2) That the subject well should be reclassified in the future in accordance with the Special Rules and Regulations governing the Jalmat Gas Pool.

(3) That Order No. R-2191, entered by the Commission on February 22, 1962, is hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

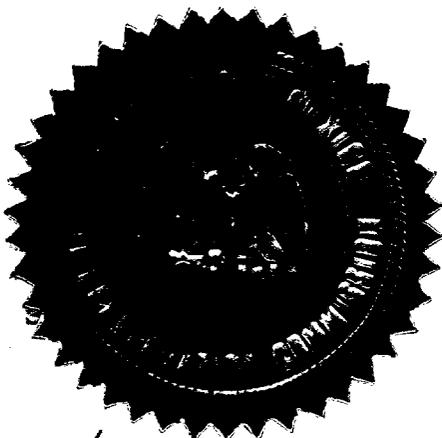
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



esr/